



(BILLING CODE: 4810-02)

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Proposed Collection; Comment Request; Renewal of Suspicious Activity Reporting by the Securities and Futures Industry.

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), Treasury.

ACTION: Notice and request for comments.

SUMMARY: FinCEN invites comment on the renewal of an information collection requirement for the recordkeeping and reporting of suspicious activity activities by the Securities and Futures Industry,¹ Office of Management and Budget Control Number 1506-0019. The report, (BSA-SAR)² will be used by the securities and futures industry to report suspicious activity to the Department of the Treasury. This request for comments also covers 31 CFR 1026.320 and 31 CFR 1023.320. This request for comments is being made pursuant to the Paperwork Reduction Act of 1995, Public Law 104-13, 44 U.S.C. 3506(c)(2)(A).

DATES: Written comments are welcome and must be received on or before [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER.]

ADDRESSES: Written comments should be submitted to: Regulatory Policy and Programs Division, Financial Crimes Enforcement Network, Department of the Treasury,

¹ The securities and futures industry are those entities regulated by the Security and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) as regulated under 31 CFR Chapter X.

² The BSA-SAR was approved by OMB under control number 1506-0065. This single report replaces the SAR-DI, C, MSB and SF. The current SAR-SF, as posted at www.fincen.gov/forms, may be used through March 2013.

P.O. Box 39, Vienna, Virginia 22183, Attention: PRA Comments--SAR-Securities and Futures Industry. Comments also may be submitted by electronic mail to the following

Internet address: regcomments@fincen.treas.gov, again with a caption, in the body of the text, "Attention: PRA Comments--SAR-Securities and Futures Industry."

Inspection of comments. Comments may be inspected, between 10 a.m. and 4 p.m., in the FinCEN reading room in Vienna, VA. Persons wishing to inspect the comments submitted must request an appointment with the Disclosure Officer by telephoning (703) 905-5034 (Not a toll free call).

FOR FURTHER INFORMATION CONTACT: The FinCEN Regulatory Helpline at 800-949-2732, select option 3.

SUPPLEMENTARY INFORMATION:

Title: Suspicious Activity Reporting by the Securities and Futures Industry, 31 CFR 1026.320, and 31 CFR 1023.320.

OMB Number: 1506-0019.

Form Number: FinCEN Form 111 (BSA-SAR)³.

Abstract: The statute generally referred to as the "Bank Secrecy Act," Titles I and II of Public Law 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5332, authorizes the Secretary of the Treasury, inter alia, to require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters, or in the conduct of

³ See footnote 2

intelligence or counter-intelligence activities, to protect against international terrorism, and to implement counter-money laundering programs and compliance procedures.⁴

Regulations implementing Title II of the Bank Secrecy Act appear at 31 CFR Chapter X. The authority of the Secretary to administer the Bank Secrecy Act has been delegated to the Director of FinCEN.

The Secretary of the Treasury was granted authority in 1992, with the enactment of 31 U.S.C. 5318(g), to require financial institutions to report suspicious transactions. On July 1, 2002, FinCEN issued a final rule requiring brokers or dealers in securities (“broker-dealers”) to report suspicious transactions (“Broker-Dealer SAR rule”), (67 FR 44048). The final Broker-Dealer SAR rule can also be found at 31 CFR 1023.320. On August 5, 2002, FinCEN issued a final rule requiring futures commission merchants and introducing brokers in commodities to report suspicious transactions (“FCM SAR rule”), (67 FR 50751). The final FCM SAR rule can also be found at 31 CFR 1026.320.

The information collected is required to be provided pursuant to 31 U.S.C. 5318(g), 31 CFR 1026.320 and 31 CFR 1023.320. This information will be made available, in accordance with strict safeguards, to appropriate criminal law enforcement and regulatory personnel, and to the registered securities associations and national securities exchanges (so-called self-regulatory organizations) for use in official performance of their duties, for regulatory purposes and in investigations and proceedings involving domestic and international money laundering, terrorist financing, tax violations, fraud, and other financial crimes.

⁴ Language expanding the scope of the Bank Secrecy Act to intelligence or counter-intelligence activities to protect against international terrorism was added by Section 358 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), P.L. 107-56.

Broker-dealers, futures commission merchants, and introducing brokers in commodities required to report suspicious transactions, or reporting such transactions voluntarily, will be subject to the protection from liability contained in 31 U.S.C. 5318(g)(3) and to the prohibition contained in 31 U.S.C. 5318(g)(2) against notifying any person involved in the transaction that a suspicious activity report has been filed.

Type of Review: Renewal of a currently approved information collection.

Affected public: Business or other for-profit institutions.

Frequency: As required.

Estimated Reporting and Recordkeeping Burden: 1 hour⁵.

Estimated number of respondents = 8,300.

Estimated Total Annual Responses = 8,300

Estimated Total Annual Reporting and Recordkeeping Burden: 8,300 hours.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Records required to be retained under the Bank Secrecy Act must be retained for five years.

Request for Comments:

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the

⁵ The reporting and recordkeeping burden of the regulations (31 CFR 1026.320 and 1023.320) is reflected in the burden for the BSA-SAR as approved under 1506-0065. This listed burden is assigned to maintain control number 1506-0019 active as a reporting requirement.

information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance and purchase of services to provide information.

Dated: __December 29, 2011__

James H. Freis, Jr.
Director,
Financial Crimes Enforcement Network

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